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**MANSURA VOLUNTEER
FIRE DEPARTMENT, INC.**

Financial Report

Year Ended December 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-13-05

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ACCOUNTANTS' REPORT

To the Board of Directors
Mansura Volunteer Fire Department, Inc.
Mansura, Louisiana

We have compiled the accompanying statement of financial position of Mansura Volunteer Fire Department, Inc. (a nonprofit organization), as of December 31, 2004, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

We are not independent with respect to Mansura Volunteer Fire Department, Inc.

Kolder, Champagne, Slaven & Company, LLC
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June 28, 2005

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FINANCIAL STATEMENTS

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Statement of Financial Position
(Unaudited)
December 31, 2004

ASSETS

Current assets:

Cash and cash equivalents	\$ 32,362
Accounts receivable	<u>57,408</u>
Total current assets	<u>89,770</u>

Fixed assets:

Building and improvements	130,842
Equipment	307,747
Trucks	<u>508,900</u>
Total fixed assets	947,489
Less: accumulated depreciation	<u>(367,114)</u>
Net fixed assets	<u>580,375</u>

Total assets	<u>\$670,145</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Current maturities of long-term debt	\$ 6,068
Accounts payable	707
Accrued interest payable	<u>3,271</u>
Total Current Liabilities	10,046

Long-term liabilities:

Notes payable (net of current portion)	<u>57,911</u>
Total liabilities	<u>67,957</u>

Net Assets:

Unrestricted net assets -	
Operations	89,064
Fixed assets	<u>513,125</u>
Total unrestricted net assets	<u>602,189</u>

Total liabilities and net assets	<u>\$670,146</u>
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See accountants' report.

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Statement of Activities
(Unaudited)
December 31, 2004

Support and revenue:

Support

Contributions	\$ 1,000
Fundraisers, net	<u>7,701</u>
Total support	<u>8,701</u>

Revenue

Ad valorem taxes	63,079
Intergovernmental revenue	
Federal	63,000
State	18,059
Town of Mansura	26,500
Avoyelles Parish Police Jury	1,200
Interest income	<u>678</u>
Total revenue	<u>172,516</u>

Total support and revenue	<u>181,217</u>
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Expenses:

Depreciation	57,330
Training	1,158
Interest	4,087
Insurance	15,769
Office	1,580
Repairs	20,198
Supplies	11,544
Telephone and utilities	3,184
Legal & professional	2,150
Meeting expense	7,301
Salaries	3,942
Other	<u>4,888</u>
Total expenses	<u>133,131</u>

Change in net assets	48,086
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Net assets, beginning of year	<u>554,103</u>
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Net assets, end of year	<u>\$602,189</u>
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See accountants' report.

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Statement of Cash Flows
(Unaudited)
December 31, 2004

Cash flows provided by operating activities:	
Change in net assets	<u>\$ 48,086</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities -	
Depreciation	57,330
Increase in accounts receivable	(917)
Increase in accounts payable	<u>(2,384)</u>
Total adjustments	<u>54,029</u>
Net cash provided by operating activities	<u>102,115</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(120,984)</u>
Cash flows from financing activities:	
Decrease in accrued interest payable	94
Payment of principal on notes payable	<u>(5,747)</u>
Net cash used by financing activities	<u>(5,653)</u>
Net decrease in cash and cash equivalents	(24,522)
Cash and cash equivalents, beginning of year	<u>56,884</u>
Cash and cash equivalents, end of year	<u>\$ 32,362</u>

See accountants' report.

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Fire Department

The Mansura Volunteer Fire Department, Inc. (Fire Department) was incorporated on September 12, 1988 as a nonprofit corporation as defined in Louisiana Revised Statutes of R. S. 1950 Title 12, Chapter 2, as amended. The Fire Department operates under a Board of Directors consisting of a president, vice-president, and secretary-treasurer. Board members are elected on an annual basis. The members of the Mansura Volunteer Fire Department vote on all matters brought before the Board. The Fire Department serves approximately 1,759 structures and meetings are held monthly. The following is a summary of certain significant accounting policies.

A. Financial Statement Presentation:

The Fire Department adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Fire Department is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

The Fire Department also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made" in accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, the Fire Department has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

C. Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase.

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Notes to Financial Statements

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1st and are due and payable on or before December 31. All unpaid taxes become delinquent January 2 of the following year. The taxes are assessed by the Avoyelles Parish Assessor's Office and collected by the Avoyelles Parish Sheriff's Office. The taxes are then remitted to the Avoyelles Parish Police Jury on behalf of Fire Protection District No. 2. The Fire Department is one of 14 members in this District. After deducting a fee of \$20,000 to defray the expenses of the Board of Commissioners of the Fire Protection District, each member is guaranteed a base amount of \$25,000. Any remaining funds are distributed to the members on a basis of structures served.

E. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

F. Fixed Assets

Fixed assets acquired by the Fire Department are considered to be owned by it.

The Fire Department follows the practice of capitalizing, at cost, all expenditures for fixed assets. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	10 - 40 years
Furniture and equipment	5 - 25 years
Vehicles	5 - 20 years

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Notes to Financial Statements

(2) Deposits and Investments

Deposits

At year-end, the carrying amount of the Fire Department's deposits was \$ 32,362 and the bank balance was \$ 32,362. Of the bank balance, \$ 32,362 was covered by federal depository insurance. Of this amount, \$ 10,864 was tax monies, which is required to be expended on fire equipment and supplies.

Certificates of Deposit

The Corporation had no Certificates of Deposit at December 31, 2004.

(3) Accounts Receivable

The Billed receivable balance at December 31, 2004 of \$ 57,408 consisted of property taxes due from the Fire Protection District No. 2.

(4) Fixed Assets

A summary of changes in Property, Plant and Equipment are as follows:

	<u>Balance</u> <u>12/31/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2004</u>
Land and buildings	\$ 107,813	\$ 23,029	\$ -	\$ 130,842
Equipment	261,497	46,250	-	307,747
Trucks	457,195	51,705	-	508,900
	<u>\$ 826,505</u>	<u>\$ 120,984</u>	<u>\$ -</u>	<u>\$ 947,489</u>

(5) Changes in Long-term Debt

The following is a summary of note transactions of the Fire Department for the year ended December 31, 2004:

Notes payable at 12/31/03	\$ 69,726
Debt issued	-
Principal payments	<u>(5,747)</u>
Notes payable at 12/31/04	<u>\$ 63,979</u>

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Notes to Financial Statements

Notes payable (current and long-term portions) are financed with Farmers Home Administration, Natchitoches, Louisiana.

Notes payable at December 31, 2004 consist of the following individual liabilities:

<u>Farmers Home Administration</u> - \$35,000 note dated May 17, 2001 due in annual installments of \$4,533; interest at 5.0% per annum; maturity in 2011; secured by fire truck.	\$ 37,812
<u>Farmers Home Administration</u> - \$65,000 note dated September 30, 1991 due in annual installments of \$5,207; interest at 6.25 per annum; maturity in 2015; secured by fire station building	<u>26,167</u> <u>\$ 63,979</u>

The annual requirements to amortize all notes outstanding at December 31, 2004 are as follow:

<u>Period Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	6,068	3,672	9,740
2006	6,407	3,333	9,740
2007	6,766	2,974	9,740
2008	7,144	2,596	9,740
2009	7,544	2,196	9,740
2010-2014	30,050	4,849	34,899
	<u>\$ 63,979</u>	<u>\$ 19,620</u>	<u>\$ 83,599</u>

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Notes to Financial Statements

(6) Retirement Commitments

Individuals who serve the Fire Department are volunteers; therefore, there is no liability for retirement benefits.

(7) Commitments and Contingencies

As of December 31, 2004 there were no lawsuits against the Fire Department.

(8) Federal Grants

The District received a FEMA grant for the purchase of equipment in the amount of \$ 63,000. The total cost of the equipment was \$ 74,213 with \$ 11,213 being provided by local funds.